



SF 219 – School Physical Plant and Equipment Levy Uses (LSB 1720SV)
Analyst: Shawn Snyder (Phone: (515) 281-7799) (shawn.snyder@legis.iowa.gov)
Fiscal Note Version – New

Description

Senate File 219 expands the authorized uses of Physical Plant and Equipment Levy (PPEL) revenues to include expenses incurred in the repair of transportation equipment.

Background

Regular PPEL: In FY 2013, 327 school districts (94.0% of the 348 districts) levied for the regular PPEL (approved by the school board) totaling \$45.6 million. Of those 327 districts, 322 levied up to the regular PPEL capacity. The remaining 26 districts have a remaining PPEL capacity totaling \$2.1 million.

Voter-Approved PPEL (VPPEL): In FY 2013, 238 school districts (64.8%) levied for the VPPEL totaling \$107.7 million (includes \$97.9 million in property tax and \$9.8 million in income surtax). Of those 238 districts, 84 levied up to the VPPEL capacity. The remaining 264 districts have a remaining VPPEL capacity totaling \$86.3 million.

The following table provides FY 2013 information regarding the regular PPEL and the VPPEL.

Regular Physical Plant and Equipment Levy (PPEL)	
Number of Districts with Regular PPEL	327
Total PPEL Amount Levied (in Millions)	\$ 45.6
Number of Districts at Maximum Rate	322
Number of Districts with Remaining Regular PPEL Capacity	26
Regular PPEL Capacity Remaining (in Millions)	\$ 2.1
Voter-Approved Physical Plant and Equipment Levy (VPPEL)	
Number of Districts with VPPEL	238
Total VPPEL Amount (Property Tax and Income Surtax - in Millions)	\$ 107.7
Number of Districts at Maximum Rate	84
Number of Districts with Remaining VPPEL Capacity	264
VPPEL Capacity Remaining (in Millions)	\$ 86.3

Assumptions

- School boards not currently levying their capacity for the regular PPEL (maximum rate of \$0.33/\$1,000 of assessed valuation) may approve an increase in the regular PPEL rate.
- There may be an impact related to the voter-approved PPEL levy rate as well. However, the amount will depend on voter approval within each school district.
- If voters within a school district have approved a revenue purpose statement that grants Secure an Advanced Vision for Education (SAVE) funds to be used for PPEL purposes, those SAVE funds may be used for the purposes specified in SF 219.

Fiscal Impact

The estimated fiscal impact of SF 219 is unknown. Based on data for FY 2013, the maximum fiscal impact would be an increase in the regular PPEL of \$2.1 million. Additionally, there may be an increase in the voter-approved PPEL in future years due to enactment of SF 219, but any increases will depend on voter approval within each district.

Sources

Iowa Department of Management, School Aid file
LSA analysis and calculations

/s/ Holly M. Lyons

February 26, 2013

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
